

ROUTING

Top Secret 217

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NATIONAL INTELLIGENCE DAILY CABLE

Friday June 3, 1977 CG NIDC 77-128C

NATIONAL SECURITY INFORMATION

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National Intelligence Daily Cable for Friday, June 3, 1977.

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The NID Cable is for the purpose of informing senior US officials.

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CHINA-ZAMBIA: Military Aid

25X1 [REDACTED] //China's reported agreement to provide assistance to the Zambian air force symbolizes continued Chinese political support to President Kaunda and Peking's intention to maintain its competition with the USSR in southern Africa.//

25X1 [REDACTED] //This is the first substantial new Chinese military aid agreement with a black African country in several years and could represent a multi-million dollar deal. [REDACTED] 25X1

[REDACTED]

25X1 [REDACTED] //Peking also may be considering a broader military aid program. The day before Zuze returned from China, a Chinese military delegation arrived in Lusaka and was met at the airport by the Zambian secretary of defense and the commander of the Zambian army. For several months a Chinese military training group [REDACTED] reportedly has been training regular Zambian troops. In the past, China's training effort in Zambia had been confined to the Zambian national service, a home-guard type of organization.//

25X1 [REDACTED] //As the USSR has become more involved in southern Africa, Peking has shown increased interest in Kaunda's position as a moderating influence in the region. Chinese officials in the region believe that the Soviets want to weaken Kaunda's domestic political position, and thus divert him from seeking a moderate solution to the problems of southern Africa. By giving him support, Peking may hope to bolster Kaunda's position at home.//

25X1 [] Kaunda, facing increasing danger of Rhodesian attacks, wishes to improve Zambia's military capabilities without turning solely to the USSR and its allies. The Zambian leader is suspicious of Soviet intentions and apparently still hopes that a negotiated solution to the struggle in Rhodesia might be found. Although the Chinese support black nationalist military efforts against Rhodesia, Peking may not be adverse to a negotiated settlement that works against Soviet interests. [] 25X1

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FRANCE: Defense Cooperation

25X1 [] *A French defense official has said that his country might participate in some of the long-term NATO defense projects proposed by Secretary Brown in Brussels last month if the projects were pursued through the Conference of National Armaments Directors, an organization established after France pulled out of NATO in 1966.*

25X1 [] The use of this forum, which includes all members of NATO but is outside the NATO structure, would mean that national control over defense decisions was preserved. The organization's agenda is set by a directorate of the four principal Western powers, on which France sits as an equal partner.

25X1 [] The official said that the areas of special interest to France are:

--The licensing of common equipment designs.

--Air defense.

--Electronic warfare.

--Battle-management systems.

25X1 [] In March, France announced its decision to join the NATO communications system and is considering participating in NATO's airborne radar system.

25X1 [] French cooperation with other Western powers in these areas--principally relating to conventional forces--is consistent with the concepts of French defense policy stated by President Giscard and his chief of staff, General Mery, last June, emphasizing the need for defense cooperation with the allies.

YUGOSLAVIA: Leadership Changes

25X1 [REDACTED] Yugoslav officials are leaking word that the party will soon establish a seven-man group to run its affairs. Other party changes being mentioned are reducing the 47-man presidium by half and renaming its 12-man executive committee the party secretariat. If these changes are made, this will be the first significant step the Yugoslavs have taken in over a decade to streamline the party structure.

25X1 [REDACTED] The new group will reportedly include President Tito, Stane Dolanc--Tito's second-in-command--and five other senior leaders. No military figure has been mentioned. The absence of a military figure is surprising given the current prominence of the Yugoslav military and its expected importance in the future.

25X1 [REDACTED] Such structural changes could play a role in clarifying Tito's wishes regarding a party successor. Dolanc will "lead the work" of the new "political bureau" thus giving him a stronger claim to be "first among equals" in the party's leadership. Dolanc is younger and has less party leadership experience than the other proposed members of the new group.

25X1 [REDACTED] According to the leaked information, Dolanc will give up his current post as head of the party executive committee, and another younger politician, Branko Mikulic--party leader of Bosnia-Hercegovina--will take over the secretariat. Mikulic has a reputation as an energetic disciplinarian; this would be his first important position in Belgrade. Dolanc and Mikulic have had policy differences in the past.

25X1 [REDACTED] A compact group would probably become the focal point for decision-making. In the present party structure, collective decision making supposedly rests with the presidium, but it is too large to do this. In practice, Tito makes most key decisions, and party structures rubber-stamp and implement them. A "political bureau" would be better able than the current presidium to make decisions after Tito leaves the scene.

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USSR-RHODESIA-MOZAMBIQUE: Tass Statement

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[] *The Soviets' decision to issue a Tass statement yesterday condemning the latest Rhodesian raid into Mozambique probably was prompted in part by their desire to appear no less resolute than the US in supporting black African nationalism. The Soviets may also have been seeking to please the Mozambicans, who may have asked for some sign of Soviet support.*

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[] The Soviets probably were surprised by the US reaction to Rhodesia's move and may have hoped to gain some propaganda advantage. Soviet media have condemned earlier Rhodesian raids into Mozambique, but not at this level.

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[] The language of the Soviet protest was strong. It warned the Rhodesians that they were risking "grave international consequences" and reminded them of the USSR's recently concluded friendship treaty with Mozambique.

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[] Moscow's action is unlikely to impress the Africans. The Soviets made no specific threats against the Rhodesians, and the Soviet protest was not issued until several hours after Rhodesia had announced that it had already withdrawn its forces.

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CANADA: Party Quebecois

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[] *//The Canadian provincial government in Quebec is making a strong effort to build a moderate political image, despite pressure from radical supporters to get on with the business of independence. A Parti Quebecois convention last weekend passed a resolution calling on the provincial government to seek the greatest possible autonomy while remaining a province, in sharp contrast to the referendum-before-negotiations approach previously taken by the party. The convention also dropped from the party constitution a demand for the government to withdraw from NATO and NORAD.//*

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[] *//Provincial Premier Levesque left little doubt at the convention that he intends to be his own boss. He made it clear that his government will not be bound by party resolutions, particularly demands for radical social legislation,*

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which do not accord with his views. Provincial Culture Minister Laurin underscored the theme by noting that the Quebec government will be weighing modifications to the controversial language bill that has spurred bitter opposition from business and English-speaking interests.//

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[] //The convention provided little of the expected confrontation between government moderates and party militants, but radical party activists can be expected to bring more pressure on the Levesque government. They apparently were able to elect at the convention a sizable bloc on the party's executive committee, despite strong opposition from Levesque. Moreover, the activists have the backing of many militants in Quebec's major labor unions, who tend to see the establishment of a socialist society as the province government's primary goal.//

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[] //The labor unions have become the most outspoken critics of the Parti Quebecois government. Some observers attribute this to the heavy infiltration of the unions by leftists, who are much more interested in class struggle than in Quebec nationalism.//

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[] //At Quebec's economic summit two weeks ago, leaders of militant trade unions openly attacked government and business representatives during what Levesque had hoped would be a policy consensus session. Levesque at one time had believed that he could use the strong feelings of euphoria and self-confidence among the French-speaking population following his party's election last November to rally broad support for a comprehensive social and economic program.//

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[] //The Quebec government also has the problem of maintaining business confidence. The provincial government has tried to take the edge off the militants' complaints with promises of anti-scab legislation and closed shops. This has further unsettled the business community, which sees such concessions as adding to the already high costs of doing business and as another drag on industrial growth in Quebec.//

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[] //There also remains the uncertainty of the government's intentions on the language issue. Laurin on Monday charged that the English-speaking business community has systematically excluded French speakers from head offices and upper administrative positions and that studies show English-speakers are "over-represented" in higher positions, while French-speakers handle most of the menial jobs.//

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[] //Levesque clearly would like to regain the popularity and momentum his government enjoyed immediately following the election. He apparently wants to play down independence, thus allaying both labor's fears of unacceptable belt-tightening among workers and the business community's nervousness about the possible disruption of operations.//

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[] //Levesque also seems to be moving the Parti Quebecois toward becoming a middle-of-the-road political party. In doing so, he runs the risk of provoking an open split with the party's more radical followers, but in turn he is likely to gain considerable support among both the French- and English-speaking communities. []

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